

Auto dealers assess impact of 'Cash for Clunkers' program

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By Ed
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Quad-City car dealers said Monday the "Cash for Clunkers" program that's winding down boosted car sales at a much-needed time, even as they continued to be frustrated at the balkiness of the government's reimbursement system.

"It's worth the work," said Jill Green, owner of Green Chevrolet, East Moline.

The
end of the \$3 billion program was marked in the

Quad-Cities with one of the program's co-sponsors, U.S. Rep. Bruce Braley, heralding its success at a news conference at Lindquist Ford, Bettendorf.

"It's proven to be one of the most successful economic stimulus programs the federal government has ever passed," said Braley, D-Iowa.

While at the dealership, the congressman pulled the plug on a clunker himself, pouring silica sand into the engine of a 1988 Chevy Silverado. He then started it and waited a little more than three minutes before the engine suddenly ground to a

stop.

The goal of the program was to take old gas-guzzlers like the Silverado off the road, junk them and replace them with more fuel-efficient models, in turn boosting the auto industry at a time of low sales.

The government offered buyers rebates of \$3,500 and \$4,500.

Gary Thomas, president of the Iowa Automobile Dealers Association, said dealerships across Iowa reported sales spikes.

Also, John McEleney, the Clinton, Iowa, dealer who heads the National Automobile Dealers Association, said that, looking ahead, sales will improve over pre-clunker days.

"It's not going to continue the way it has because this has been unprecedented, but we think our sales nationally will return to a level higher than where they were when the program began," he said.

There's been some debate whether the program achieved its goals.

The federal transportation department says the new cars purchased got 60 percent better fuel economy than the traded-in clunkers.

But The Associated Press reported earlier this month it calculated the program would reduce carbon dioxide emissions by 700,000 tons, a fraction of the 6.4 billion tons emitted in the United States last year.

Braley said Monday the economic

benefits are clear. He cited GM's announcement that it would start up production to meet increasing demand, rehiring 1,300 laid-off workers.

"All of those things are having a ripple effect," he said.

Green said her dealership sold 97 new cars in August, up from previous months.

Craig A. Miller, the general manager at Lindquist Ford, said 91 cars had been sold there. At the Clinton Auto Group, where he is part owner, the dealership sold 58, Miller said.

"It was fantastic," he said.

In fact, dealers are reporting low inventory as a result.

Nationwide, the U.S. Transportation Department says dealers had submitted 625,000 vouchers for \$2.58 billion as of early Monday, according to The Associated Press.

The government has paid off on only a small part of those, which continued to cause some angst over the program in the Quad-Cities and elsewhere.

"It's been a really good program as far as moving things along, but unfortunately, the paper part of it has been such a nightmare it took all the joy out of it," Green said.

Dealers have reported snags using the government's computer system and trying to get through via

telephone.

Green said of the 97 deals at her dealership, she's been paid for 10 and been authorized for four more. She estimates she's owed \$350,000.

Is
she nervous about getting paid?

"Would that make you nervous?" Green responded.

Some dealers cut off clunker deals early to make sure they wouldn't miss the deadline. And the government extended until midday today the deadline for dealers to submit paperwork for repayment.